

Appendix 1 – Establishing Assessable Units Forms/Examples

**National Aeronautics and Space Administration (NASA)
Office of the Chief Financial Officer (OCFO)
Establishing Assessable Units Form (For Financial Management Internal
Control Program Purposes)**

Date assessable units established:

NASA Center/Headquarters Organization:

In the table below please identify the assessable units (AU) for your organization, the AU contact assigned to that AU, and a brief description of the AU's role and responsibilities.

NASA Financial Management Requirements (FMR) Volume 9 "Internal Management Controls" chapter 3 "Establishing Assessable Units for Financial Management Internal Control Evaluations," provides an overview of the required content and descriptions for this form. For examples, see Appendix 1, Page 2.

Assessable Unit (AU)	AU Contact Name/Phone Number/email address	Description of AU's Role and Responsibilities

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Date assessable units established: March 30, 2005

NASA Center/Headquarters Organization: Center Example

Assessable Unit (AU)	AU Contact Name/Phone Number/email address	Description of AU's Role and Responsibilities
1. Financial Reporting	1. Manager AU1 (###) ###-#### email@nasa.gov	1. Funds control; property, plant, and equipment; general ledger, statements
2. Accounting Operations	2. Manager AU2	2. Accounts payable; accounts receivable; payroll; travel; awards; bond enrollment
3. Cost Accounting	3. Manager AU3	3. Full cost; service pool management; cost estimating; internal audit; reimbursable management; accruals
4. Full Cost	4. Manager AU4	4. Budget formulation and execution of center programs
5. Institutional	5. Manager AU5	5. Center G&A; Corporate G&A performed at Center; workforce and labor analysis; CoF; reimbursables
6. Budget Integration	6. Manager AU6	6. Budget submits; phasing plans; integration and analysis

Appendix 2 – Risk Assessment Forms/Examples

**National Aeronautics and Space Administration (NASA)
Office of the Chief Financial Officer (OCFO)
Financial Management Internal Control Risk Assessment Form**

Date risk assessment completed:

NASA Center/Headquarters Organization:

Assessable unit and a brief description of the activities performed:

Financial Management Requirements (FMR) Volume 9, “Internal Management Controls”, Chapter 4, “Risk Assessment”, provides an overview of the required content and descriptions for this form. Examples are also available.

Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion

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Financial Management Internal Control Risk Assessment Form

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Date risk assessment completed: March 30, 2005

NASA Center/Headquarters Organization: Organization Example

Assessable unit and a brief description of the activities performed:

Financial Disbursement/Transaction Processing Assessable Unit – responsible for disbursements and transaction processing.

Financial Management Requirements (FMR) Volume 9, “Internal Management Controls”, Chapter 4, “Risk Assessment”, provides an overview of the required content and descriptions for this form. Examples are also available.

Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion
Only those requests for disbursements that meet NASA’s policy and procedures should be approved.	O	Disbursements are made to unauthorized vendors, and cash is intentionally or unintentionally dispersed to an unauthorized party (i.e., a vendor who did not provide the goods or services being paid for).	H	Documented procedures for initiating, reviewing and approving requests. Periodic inspection of used critical forms for proper completion and authorized signatures.	<i>[Does objective impact or overlap any other objectives under the responsibility of other units in the financial management community?]</i>	Based on evaluator’s opinion, control is in place and operating effectively. Based on evaluator’s opinion, control is in place and operating effectively.
Disbursements should be accurately and promptly reported.	O (with impact to F)	Disbursements made but never reported or reported inaccurately resulting in an error in the accounts payable or a misstatement of inventory records.	H	Pre-numbered documents that are subsequently accounted for as being sent to, or received by, an order-checking or accounts payable function.	Financial management system should process disbursement transactions in accordance with specified guidance.	Based on evaluator’s opinion, the control in place does not mitigate the risk enough to provide reasonable assurance. See Corrective Action Plan for recommendation. (see example

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Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion
						in Appendix 4.1)
Amounts due to vendors for goods and services accepted, and the accounting disbursements of such amounts, should be processed and recognized as liabilities promptly.	F (with impact to O)	Liabilities are recorded for goods or services billed but not received. Liabilities are recorded at incorrect amounts due to data entry errors, incorrect prices, incorrect terms, etc. Liabilities for goods or services received are not recorded.	M M M	Verification of invoiced quantities, prices and terms by reference to the purchase order and receiving report and documentation of the verification (e.g., initialing stamped block on voucher). Verification of extensions and footings of invoices and documentation thereof.	Only those requests of vendors for goods or services that meet management's criteria should be approved.	Based on evaluator's opinion, control is in place and operating effectively. Based on evaluator's opinion, control is in place and operating effectively. No control currently exists to mitigate the risk. See Corrective Action Plan for recommendation. (see example in Appendix 4.1)

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Date risk assessment completed: March 30, 2005

NASA Center/Headquarters Organization: Organization Example

Assessable unit (based on segmentation performed) and a brief description of the activities performed:

Center Budget Assessable Unit – responsible for budget formulation and execution tasks for the Center CFO.

Financial Management Requirements (FMR) Volume 9, “Internal Management Controls”, Chapter 4, “Risk Assessment”, provides an overview of the required content and descriptions for this form. Examples are also available.

Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion
The Center’s budget should be developed in accordance with the missions of the Agency	F	Budget approved is not adequate to meet goals Budget approved is excessive compared to actual needs	H H	Mission statements are included in budget Budget is based on effective program measures Budget is reviewed and approved by management	[Does objective impact or overlap any other objectives under the responsibility of other units in the financial management community?]	[Does control technique/activity currently in place provide assurance that risk is mitigated and objective is met? If no control currently exists for a risk, then corrective action needs to be addressed in this section.]
Budgetary information should be properly classified in accordance with federal budget guidelines.	C	Budget is incorrectly prepared. Budget is rejected in approval process Waste is concealed in budget	M L H	Automated budget system is used. Defined procedures and forms are used Supporting analysis required to be submitted for review.		

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Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion
Detail budget data should be properly controlled and accounted for and reconciled with final appropriations.	F	Individual operations over-spend or under-spend. Adverse impact on overall Center mission	M H	Approval of allocations in systems is performed by management. Automated transfer of final budget data to accounting systems.		

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Date risk assessment completed: March 30, 2005

NASA Center/Headquarters Organization: Organization Example

Assessable unit (based on segmentation performed) and a brief description of the activities performed:

Center Procurement Assessable Unit – responsible for procurement tasks for the Center CFO.

Financial Management Requirements (FMR) Volume 9, “Internal Management Controls”, Chapter 4, “Risk Assessment”, provides an overview of the required content and descriptions for this form. Examples are also available.

Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion
Vendors should be authorized in accordance with laws, regulations, and management’s policy.	C	Purchases may be made from unauthorized vendors, and payment may be intentionally or unintentionally made to an unauthorized party (i.e., a vendor who did not provide the goods or services being paid for). Purchases may be made from related parties without the knowledge of management.	M M	Clear statements of criteria (e.g., only vendors who offer volume discounts will be approved, only vendors who warrant their products will be approved, etc.). Data bases are controlled, e.g., approved vendor file.	<i>[Does objective impact or overlap any other objectives under the responsibility of other units in the financial management community?]</i>	<i>[Does control technique/activity currently in place provide assurance that risk is mitigated and objective is met? If no control currently exists for a risk, then corrective action needs to be addressed in this section.]</i>
Only those requests of vendors for goods or	O	Excessive costs are incurred in operating the processing and	M	Documented procedures.		

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Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion
services that meet management's criteria should be approved.		reporting systems. Funds needed for program use must be used to pay for processing costs.	H	Pre-numbered critical forms. Periodic inspection of used critical forms for proper completion and authorized signatures.		
Access to purchasing, receiving and disbursement records; critical forms; processing areas; and processing procedures should be permitted only in accordance with management's criteria.	F	Records may be destroyed or lost, resulting in an inability to prepare reliable financial and operating reports. Records may be misused or altered by unauthorized personnel to the detriment of the entity or its vendors.	H L	Safes, locked cabinets, secure tape and disk library and off-site backup storage for records, computer files, and programs and related documentation. Controlled custody and pre-numbering of critical forms (e.g., blank checks, purchase orders, signature plates, master file change forms, vouchers, check requests), including periodic accounting for such forms by independent personnel. Segregation of responsibilities and restriction of access.		

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Date risk assessment completed: March 30, 2005

NASA Center/Headquarters Organization: Organization Example

Assessable unit (based on segmentation performed) and a brief description of the activities performed:

Financial Management Systems Integration Assessable Unit – responsible for managing the financial management systems at the Center and ensuring that they are integrated with IFMP.

Financial Management Requirements (FMR) Volume 9, “Internal Management Controls”, Chapter 4, “Risk Assessment”, provides an overview of the required content and descriptions for this form. Examples are also available.

Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion
Financial management systems are compliant with US Standard General Ledger	C	Not able to report financial information to US Treasury	H	Financial systems utilize US SGL account structure	<i>[Does objective impact or overlap any other objectives under the responsibility of other units in the financial management community?]</i>	<i>[Does control technique/activity currently in place provide assurance that risk is mitigated and objective is met? If no control currently exists for a risk, then corrective action needs to be addressed in this section.]</i>
All financial systems have a security plan in place and are current	C	Systems become inoperable and unable to produce reports Not able to use financial reporting to assist management with decision making Unauthorized access to data	M L M	A security plan in accordance with the Computer Security Act of 1987 and Circular A-130 exists for all systems		

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Objectives	Objective Category (O/F/C)	Risks	Risk Level (H/M/L)	Control Techniques and Activities	Other Objectives Affected	Evaluation and Conclusion
		software				
Adequate training and appropriate user support shall be provided to the users of the systems, based on the level, responsibility and roles of individual users, to enable the users of the systems at all levels to understand, operate and maintain the system.	O	User enter data in wrong fields Financial system do not produce reports with accurate information	M M	Adequate training and appropriate user support is provided to users of IFMIS, based on the level, responsibility and roles of individual users, to enable the users of the systems at all levels to understand, operate and maintain the system.		
On-going maintenance of the systems shall be performed to enable the systems to continue operating in an effective and efficient manner.	O	On-going maintenance of all systems is not performed.	M	OC will not be able to report financial information accurately to Treasury. OC will not be able to manage its resources effectively.		

Appendix 3 – Risk Assessment CAP Forms/Examples

**National Aeronautics and Space Administration (NASA)
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Financial Management Internal Control Corrective Action Plan Form**

NASA Center/Headquarters Organization:

Assessable unit:

Financial Management Requirements (FMR) Volume 9, "Internal Management Controls", Chapter 4, "Risk Assessment", provides an overview of the required content and descriptions for this form. Examples are also available (see Appendix 2, Page 2).

Risks	Existing Control Techniques/Activities (currently in place)	Recommendations	Responsible Official	Implementation Date

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NASA Center/Headquarters Organization:

Assessable unit: Financial Disbursement/Transaction Processing

Financial Management Requirements (FMR) Volume 9, "Internal Management Controls", Chapter 4, "Risk Assessment", provides an overview of the required content and descriptions for this form.

Risks	Existing Control Techniques/Activities (currently in place)	Recommendations	Responsible Official	Implementation Date
Disbursements made but never reported or reported inaccurately resulting in an error in the accounts payable or a misstatement of inventory.	Pre-numbered documents that are subsequently accounted for as being sent to, or received by, an order-checking or accounts payable function.	In addition to the current control in place the AU will institute edit checks and a monthly reconciliation of the receipts and inventory to provide reasonable assurance that all receipts have been posted to master files or otherwise accounted for.	Assessable Unit Manager	5/01/2005
Liabilities for goods or services received are not recorded.	None currently in place.	Institute edit checks and logging techniques to control vouchered invoices.	Assessable Unit Manager	5/15/2005